

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 06100 251905Z

53

ACTION EUR-25

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 EA-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00

OPIC-12 LAB-06 SIL-01 PA-04 PRS-01 USIA-15 INT-08

SCEM-02 DRC-01 /201 W

----- 077607

P R 251740Z OCT 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 5932

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO BRUSSELS

USMISSION OECD PARIS PRIORITY

LIMITED OFFICIAL USE EC BRUSSELS 6100

E.O.11652: N/A

TAGS: ENRG, EEC

SUBJECT: MOVEMENT OF CRUDE OIL AND REFINED PETROLIUM
PRODUCTS IN THE EUROPEAN COMMUNITY

REF: A. BRUSSELS 6049 (NOTAL)

B. LUXEMBOURG 751 (NOTAL)

C. THE HAGUE 4685 (NOTAL)

D. EC BRUSSELS 6055 (NOTAL)

E. EC BRUSSELS 6079 (NOTAL)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 06100 251905Z

1. SUMMARY. THE COMMISSION OF THE EUROPEAN COMMUNITIES (EC)

APPROVED A DRAFT REGULATION ON OIL SUPPLIES IN THE COMMUNITY AND FORWARDED IT TO THE COUNCIL ON OCTOBER 24. THE PROPOSED REGULATION WOULD REQUIRE MEMBER STATES TO PROVIDE INFORMATION TO THE COMMISSION ON THE MOVEMENT OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS AND STOCKPILES. IT IS POSSIBLE THE COUNCIL WILL DEAL WITH THE MATTER BY WRITTEN PROCEDURE. WE HAVE INFORMED SOAMES THAT THE SUBJECT COULD COME UP DURING THE SOAMES/CASEY CONSULTATIONS NEXT WEEK. END SUMMARY.

2. SPECIFICALLY, THE MEMBER STATES WOULD BE REQUIRED TO COMMUNICATE TO THE COMMISSION EACH WEDNESDAY INFORMATION ON IMPORTATION OF CRUDE OIL AND OF REFINED PRODUCTS FROM THIRD COUNTRIES, EXPORTATION OF REFINED PETROLEUM PRODUCTS TO THIRD COUNTRIES, THE SUPPLY OF REFINED PRODUCTS TO OTHER MEMBER STATES, AND THE SITUATION REGARDING PETROLEUM STOCKS WITHIN THE MEMBER STATES.

3. THE COMMISSION WOULD COMMUNICATE TO THE MEMBER STATES EACH FRIDAY THE INFORMATION WHICH IT HAD RECEIVED AND COMPILED AND WOULD ORGANIZE, AT ITS OWN INITIATIVE OR UPON THE REQUEST OF A MEMBER STATE, NECESSARY CONSULTATIONS.

4. THE REGULATION REQUIRES THAT THE INFORMATION RECEIVED AND TRANSMITTED WOULD BE OF A CONFIDENTIAL CHARACTER. THE REGULATION WOULD BE EFFECTIVE IN ALL MEMBER STATES IMMEDIATELY UPON APPROVAL BY THE EC COUNCIL AND WOULD REMAIN IN FORCE UNTIL MARCH "1, 1974, UNLESS CANCELLED AT AN EARLIER DATE BY THE COMMISSION.

5. IN ITS COVERING NOTE TO THE COUNCIL, THE COMMISSION EXPLAINED THE NECESSITY OF THE URGENT INSTALLATION OF SUCH AN INFORMATION SYSTEM. THE COMMISSION NOTED THAT CERTAIN MEMBER STATES HAVE FELT IT NECESSARY TO ESTABLISH LICENSING SYSTEMS ON THE EXPORTS OF PETROLEUM PRODUCTS (SEE REFTELS A, B, AND C). THE COMMISSION NOTED THAT SUCH LICENSING SYSTEMS ARE NOT COMPATIBLE WITH THE TERMS OF THE TREATY OF ROME AND RECALLED THAT THE EUROPEAN COURT OF JUSTICE HAD RULED THAT LICENCES FOR IMPORT OR EXPORT ARE FORBIDDEN FOR INTRA-COMMUNITY TRADE.

6. WE UNDERSTAND FROM COMMISSION SOURCES THAT IT IS POSSIBLE THAT THE COMMISSION'S PROPOSAL COULD BE CONSIDERED BY THE COUNCIL QUICKLY UNDER ITS RULES OF WRITTEN PROCEDURE WITHOUT HOLDING A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 06100 251905Z

FORMAL COUNCIL MEETING. IN SUCH A CASE, THE MEMBER STATES COULD APPROVE THE PROPOSED REGULATION AND HAVE IT ENTER INTO FORCE IN THE NEXT FEW DAYS.

7. COMMENT: WHILE THE COMMISSION UNDOUBTEDLY WAS CONCERNED ABOUT THE DIFFERENCES IN PETROLEUM MOVEMENT REPORTING PROCEDURES EXISTING IN THE VARIOUS MEMBER STATES AND ABOUT THE GROWING NUMBER OF MEMBER STATES WHO WERE ADOPTING SOME FORM OF EXPORT

LICENSING OR CONTROLS, WE BELIEVE THE COMMISSION ALSO USED THIS OPPORTUNITY TO RESPOND TO THE PROBLEM POSED BY THE CUTTING OFF OF CRUDE OIL SHIPMENTS TO THE NETHERLANDS BY CERTAIN ARAB COUNTRIES. IN DISCUSSING THE COMMISSION'S PROPOSAL AT A PRESS BRIEFING ON OCTOBER 25, FOR EXAMPLE, THE COMMISSION SPOKESMAN SAID THAT ANY MEMBER STATE FACING A CRISIS IN PETROLEUM SUPPLIES TRIGGERED BY EXTERNAL ACTION REQUIRES THE SUPPORT OF ALL THE OTHER MEMBER STATES. IN ADDITION, THE COMMISSION IS PROBABLY TAKING ADVANTAGE OF THE CURRENT CRISIS TO INSTALL A SYSTEM FOR COMPILING INFORMATION ON THE MOVEMENT OF CRUDE OIL AND REFINED PRODUCTS WHICH IT HAS DESIRED TO DO FOR SOME TIME AND WHICH WOULD GIVE THE COMMISSION A LARGER ROLE IN THE COMMUNITY'S ENERGY ACTIVITIES. END COMMENT.

8. IN A CONVERSATION WITH SIR CHRISTOPHER SOAMES ON ANOTHER MATTER, THE AMBASSADOR MENTIONED TO HIM OUR INTEREST IN THESE DEVELOPMENTS. SIR CHRISTOPHER RESPONDED THAT HE NOT AWARE THAT U.S. INTERESTS MIGHT BE AFFECTED. HE THOUGHT IT WAS ONLY A PROBLEM WITHIN EUROPE ARISING FROM THE PRICE DIFFERENCES BETWEEN MEMBER STATES. HOWEVER, IF THE REGULATION WERE TO BE APPLIED INSIDE THE COMMUNITY IT WOULD, FOR POLITICAL REASONS, ALSO HAVE TO BE APPLIED TO OUTSIDE COUNTRIES. THE AMBASSADOR REITERATED OUR INTEREST AND INDICATED THAT IT COULD COME UP IN THE SOAMES/CASEY CONSULTATIONS NEXT WEEK. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, PETROLEUM TRANSPORTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 25 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU06100
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731013/aaaaaizz.tel
Line Count: 139
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. BRUSSELS 6049 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 05 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05-Nov-2001 by garlanwa>; APPROVED <06-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MOVEMENT OF CRUDE OIL AND REFINED PETROLIUM PRODUCTS IN THE EUROPEAN COMMUNITY
TAGS: ENRG, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005